



DATE: January 19, 2017

TO: Mayor Stokes and Members of the City Council

FROM: Carol Helland, Land Use Division Director 452-2724
Development Services Department

SUBJECT: Public Hearing on Overlake Medical Center request to amend the Land Use Code to facilitate campus upgrades including the addition of a new East Tower while maintaining existing limitations on overall campus development potential
File No. 17-103623 AD

I. BACKGROUND

Overlake Medical Center (OMC) is seeking a Land Use Code Amendment (LUCA) to facilitate Project futureCare, a series of campus upgrades that are necessary to modernize patient care and allow OMC to compete with other regional medical providers. The project focus is a new five-floor East Tower, which will house the Child Birth Center, medical/surgical nursing care units, and other supporting functions.

The new East Tower is a central focus of Project futureCare, and is proposed to be located in what is currently designated as the Medical Office Perimeter Development Area (DA2) under the City's Medical Institution District regulations. However, the East Tower would be classified as a "hospital use," and hospital uses are only permitted to locate within the Hospital Center Development Area (DA1). A LUC amendment is necessary to allow the new East Tower envisioned for Project futureCare to move forward. The need for the code amendment was identified early last year, and was initiated by the City Council and prioritized for processing on February 22, 2016.

Additional campus planning work was undertaken following initiation of the LUCA, and City staff and OMC representatives met through the summer to discuss permitting and the scope of code amendments necessary to advance Project futureCare. Draft language was completed collaboratively in November 2016 for presentation to the City Council. On January 9, 2017, the Council reviewed and discussed the draft code amendment language, and directed staff to set a public hearing to receive comment on the draft amendment. The hearing is scheduled for February 6, 2017.

Description of the Draft Amendment

The draft LUCA is narrowly tailored to maintain consistency with the Comprehensive Plan and the original objectives of the Medical Institution (MI) District zoning that created distinctions in development potential between the different Development Areas

(DAs) located in the MI District. Two code changes are necessary to facilitate Project futureCare as proposed by OMC. First, an adjustment is proposed to the DA1 and DA2 boundaries on the MI District Development Areas map contained in LUC 20.25J.010. A copy of the existing MI District Development Areas map is included as Attachment A-1. A copy of the draft proposed MI District Development Areas map is included as Attachment A-2. The specific draft proposed MI District map amendment, which is reflected in Attachment A-2, is to extend the DA1 designation to flank both sides of NE 10th Street between I-405 and 116th Avenue NE. This will allow OMC to develop the East Tower in the newly-extended DA1, while maintaining the current use distinctions between DA1 and DA2.

The second amendment is to the MI Dimensional Requirements of LUC 20.25J.030. This amendment would ensure that the proposal is consistent with the State Environmental Policy Act (SEPA) review previously conducted by the City for the OMC Master Plan. An Environmental Impact Statement (EIS) was prepared for adoption of the original Master Plan prepared for the Overlake Hospital Campus. Refer to *Environmental Impact Statement Overlake Hospital Master Plan/NE 10th Extension, Draft dated November 2004 and Final dated February 2005*. That EIS included an analysis of visual impacts that was based on the development potential allowed in the two DAs and for the hospital and medical office uses specifically.

The OMC requested amendment would, as drafted, limit the height of hospitals to 140 feet within 150 feet of the 116th Avenue NE right-of-way. Height limits for hospitals would remain 200' when located elsewhere in DA1. This limitation, will support the OMC proposal while maintaining the development envelope originally contemplated for the campus.

With the limitation proposed in the draft note to the dimensional charts, any development approved under the amended code language would have no greater visual impacts than those anticipated and disclosed in the 2005 Final EIS (referenced above). A comparative analysis of the visual impacts anticipated for Project futureCare is provided in Attachment B. No changes in square footage limitations or the hospital bed count applicable to the MI District are necessary, nor would they be allowed pursuant to the draft LUCA language that is before the City Council for review and adoption. The code amendment necessary to impose the limitation that maintains the current MI District height limits across the campus is presented in Attachment C.

II. REVIEW PROCESS

When the City Council initiated this LUCA as part of a package of economic development actions, the Council also indicated that the required public hearing associated with amendment should be held by the City Council in lieu of forwarding to the Planning Commission in order to expedite the amendment process. The LUCA was considered by the Council during the Council's January 9 Study Session, and the Public Hearing before the City Council is scheduled for February 6, 2017. These steps satisfy the requirements for adoption of the proposed LUCA by the City Council, and final

action can be taken at any time following the Public Hearing at the February 6 Regular Session.

III. PUBLIC NOTICE

Notice of the LUCA application, Public Hearing and availability of this staff report was published in the Weekly Permit Bulletin on January 19, 2017, and was mailed to properties within 500 feet of the Medical Institution District and to individuals and entities that have requested notice regarding development on the OMC in the past. Because the scope of this draft amendment is limited to the Medical Institution District, and is not applicable city-wide, this LUCA is not subject to approval/disapproval jurisdiction of the East Bellevue Community Council (EBCC).

Pursuant to the Washington State Growth Management Act, state agencies must be given 60 days to review and comment on proposed amendments to the Land Use Code. Given the expedited timeframe for approval of this draft code amendment, a copy of the proposed amendment was provided to state agencies, together with a request for expedited review, on January 17, 2017. A copy of the required transmittal to the Washington State Department of Commerce is available for review in the code amendment file.

The balance of this Staff Report analyzes the decision criteria in the Land Use Code that must be met to support adoption of a Land Use Code Amendment.

IV. DECISION CRITERIA

LUC 20.30J.135 establishes the decision criteria for an application to amend the text of the Land Use Code. Those criteria, and the relationship of the proposal to them, are discussed below:

A. The amendment is consistent with the Comprehensive Plan; and

Finding: The Wilburton/NE 8th Subarea Plan speaks to the importance of medical institution district development. The area bounded by NE 8th and NE 12th and 116th Avenue NE and I-405 was specifically identified in Policy S-WI-7 for medical institution development purposes. The discussion associated with Policy S-WI-7 goes on to describe how the “City should facilitate development of a long-term master plan that addresses the continued evolution and updating of this facility.” The discussion also acknowledges that “Special dimensional standards are appropriate to accommodate the needs of the major medical institution and related uses, provided the facility provides a high quality of design that recognizes this site as a prominent community landmark.”

The amendment to the MI District Development Area Boundary Map (shown in Attachment A-2) will ensure that needed campus upgrades can be undertaken by OMC, in order to modernize patient care and allow OMC to compete with other regional medical providers. Specifically, the draft LUCA will facilitate

development proposed as part of Project futureCare, which will include a new five-floor East Tower envisioned to house the Child Birth Center, medical/surgical nursing care units, and other supporting functions. With draft code limitations included in the amended note to the MI Dimensional Charts (provided in Attachment C), flexibility is provided to accommodate special dimensional needs of the medical institution while ensuring that the visual impacts of future campus development are minimized and Overlake Medical Center's status as a prominent community landmark are maintained. As drafted, the narrowly tailored LUCA is consistent with the Comprehensive Plan.

B. The amendment enhances the public health, safety or welfare; and

Finding: Facilitation of appropriate medical institution development enhances the public health, safety and welfare. The Comprehensive Plan discussion associated with Policy S-WI-7 specifically describes how medical institution uses located in the Medical Institution District, such as OMC, provide “a vital public service for the Eastside community.” The narrowly tailored draft code amendment will allow OMC to undertake campus upgrades that will better serve Bellevue residents’ hospital, child birthing and surgical needs close to where they live. The LUCA, as drafted, will support the evolution and updating of OMC which is consistent with the vital public service that they provide and is envisioned in the Comprehensive Plan.

C. The amendment is not contrary to the best interest of the citizens and property owners of the City of Bellevue.

Finding: The LUCA, as drafted, is not contrary to the interests of citizens and property owners. The draft amendment will ensure that the Eastside community has access to high quality medical institution uses, in an area where these uses are specifically identified as appropriate. The limitations placed in the MI Dimensional Chart in the draft LUCA will also ensure that development in the MI District will be “sensitive to views from the freeway and views of the skyline” as envisioned in the Comprehensive Plan.

V. STATE ENVIRONMENTAL POLICY ACT

Per Revised Code of Washington paragraph 43.21C.450(1), this LUCA is a nonproject action that is categorically exempt from the requirements of the State Environmental Policy Act (SEPA). Adoption of the proposed LUCA is appropriate and will ensure consistency with an adopted Comprehensive Plan pursuant to RCW 36.70A.040, and the City's Comprehensive Plan adopting Policy S-WI-7 was previously subjected to environmental review. Limitations imposed on building height in the draft MI Dimensional Chart amendment will ensure that any project development approved under the amended code language would have no greater visual impacts than those anticipated and disclosed in the previously undertaken environmental review. For this

reason, a categorical exemption from the requirements of SEPA was deemed appropriate by the Bellevue Environmental Coordinator on January 19, 2017.

VI. RECOMMENDATION

The narrowly tailored draft code amendments included with this staff report as Attachment A-2 (MI District Development Area Boundary Map Amendment) and Attachment C (MI Dimensional Chart Note Amendment) are consistent with the decision criteria required for adoption of a LUCA. The staff recommends that the draft LUCA (File No. 17-103623 AD) be adopted to facilitate Project futureCare which will include a series of campus upgrades that are necessary to modernize patient care and allow OMC to compete with other regional medical providers to benefit Eastside communities.

ATTACHMENTS

- A-1. Existing MI District Development Area Boundary Map
- A-2. Draft Amendment to the MI District Development Area Boundary Map
- B. Comparative Visual Analysis
- C. Draft Amendment to the MI District Dimensional Chart Note 10

Existing Medical Institution District Development Areas



Legend

DA1 = Development Area 1, Hospital Center Development Area

DA2 = Development Area 2, Medical Office Perimeter Development Area

DA3 = Development Area 3, Hospital Perimeter Development Area

Proposed Medical Institution District Development Areas



Legend

DA1 = Development Area 1, Hospital Center Development Area

DA2 = Development Area 2, Medical Office Perimeter Development Area

DA3 = Development Area 3, Hospital Perimeter Development Area

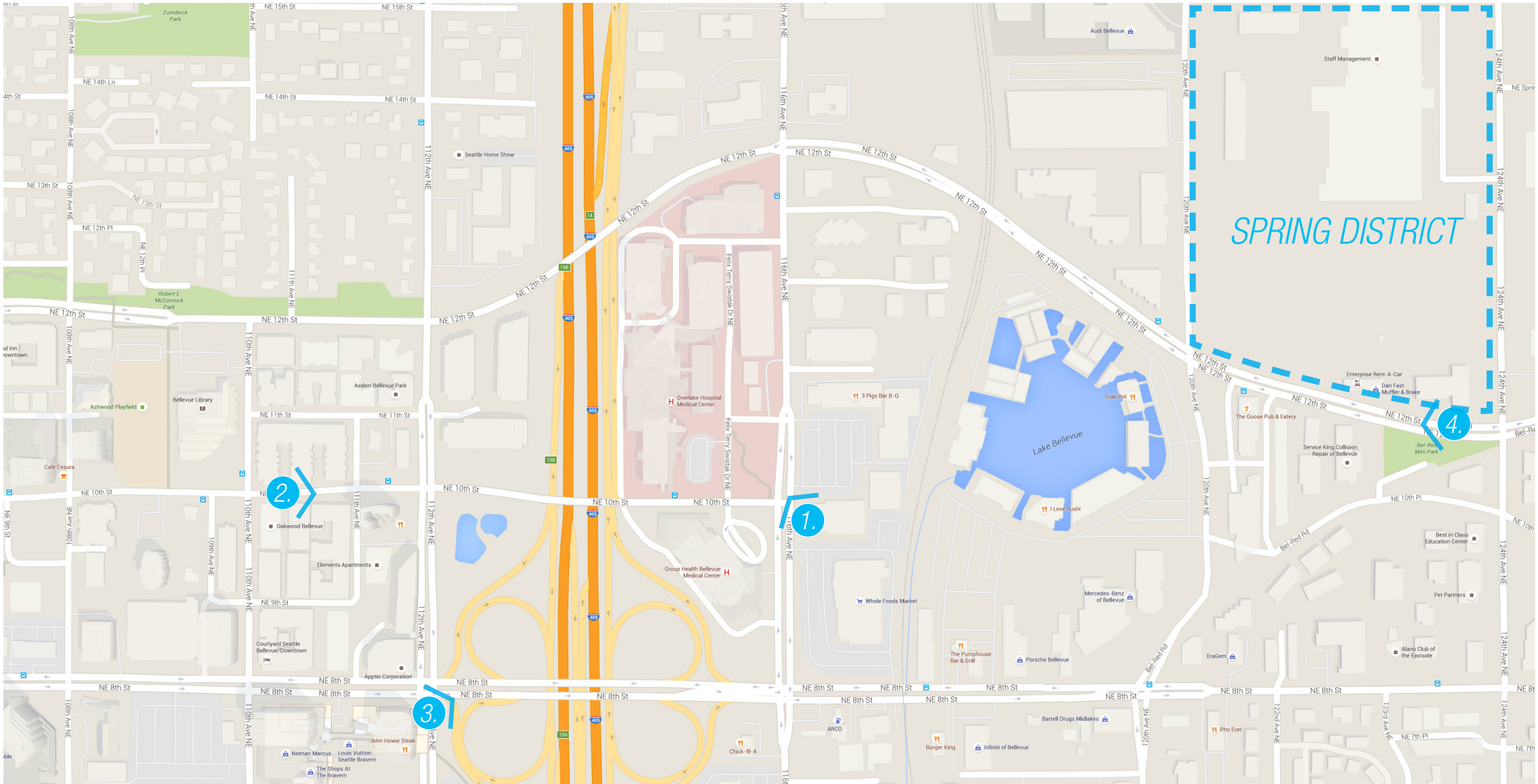
OHMC : PROJECT FUTURECARE

VIEW STUDIES

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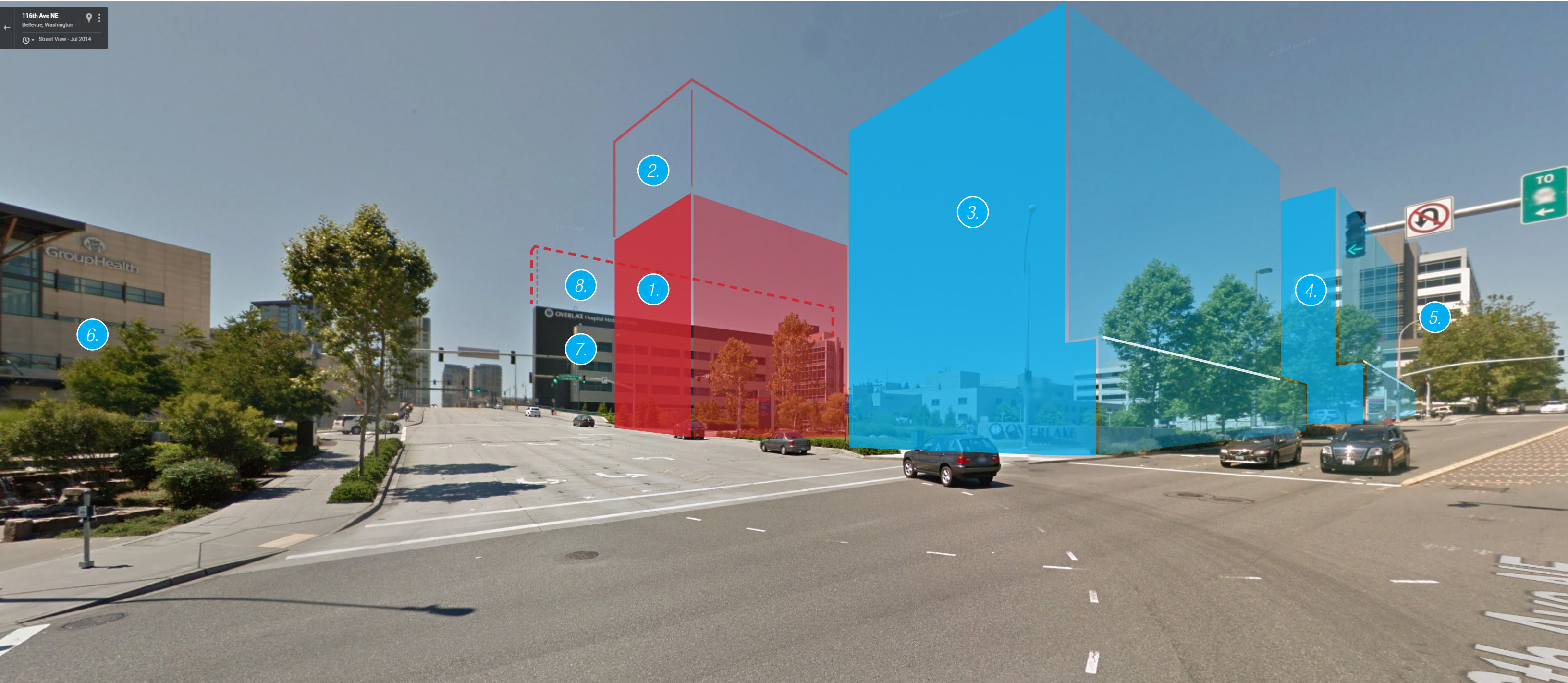
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VIEW POINT LOCATIONS



LEGEND

- 1. VIEW LOCATION @ NE 10TH LOOKING W
- 2. VIEW LOCATION @ NE 10TH LOOKING E
- 3. VIEW LOCATION @ NE 8TH LOOKING N
- 4. VIEW LOCATION @ SPRING DISTRICT LOOKING AT DOWNTOWN

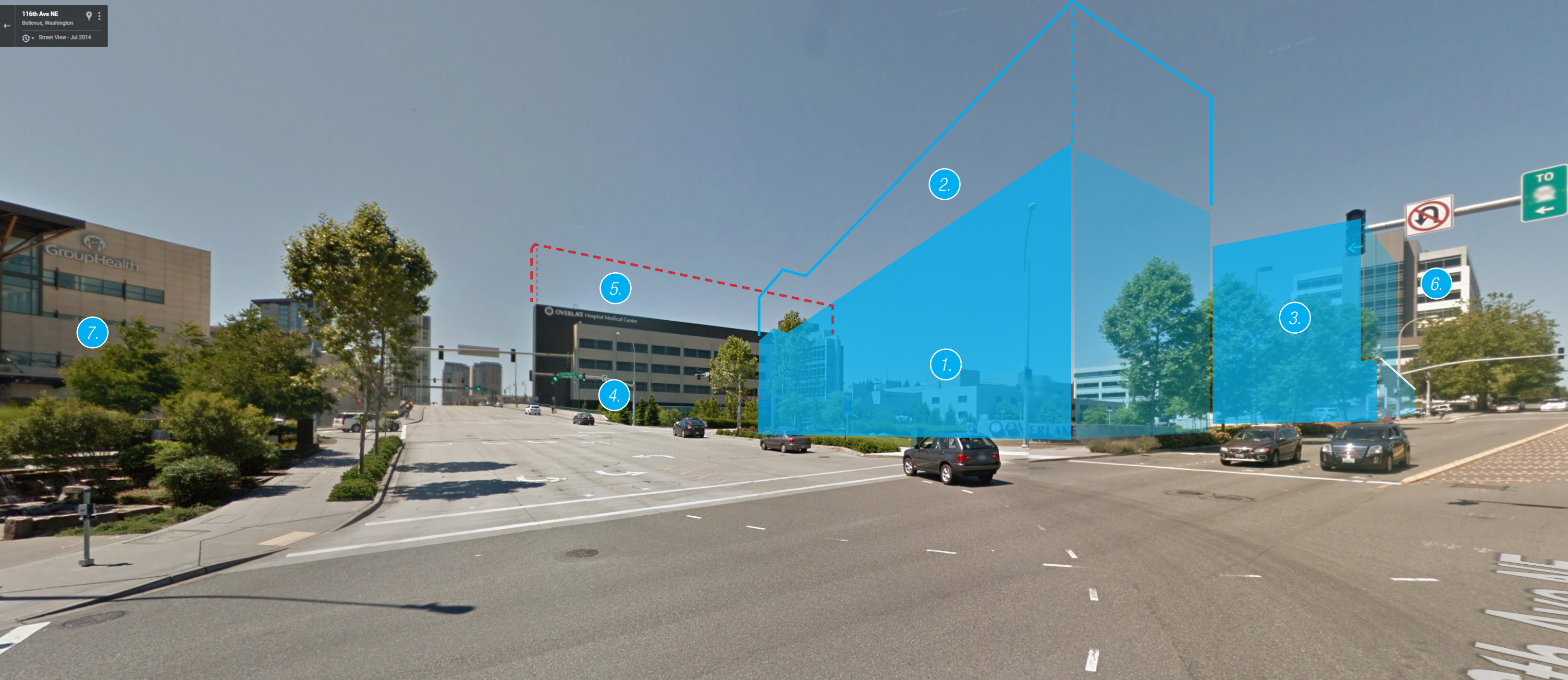


LEGEND

- DA1 : HOSPITAL CENTER DEVELOPMENT AREA
- DA2 : MEDICAL OFFICE DEVELOPMENT AREA

- 1. Proposed New East Tower (8 floors + Mechanical) ¹
- 2. Future Phase (4 Floors)¹
- 3. Future Medical Office Building 2 (8 floors)
- 4. Future Medical Office Building 1 (8 floors)
- 5. Overlake Medical Office Building
- 6. Group Health Bellevue Medical Center
- 7. South Tower
- 8. South Tower - Approved Future Phase (3 Floors)

1. Additional floors result in a taller massing to accomodate the Building Gross Area (as a result of 40% reduced footprint).



LEGEND

- DA1 : HOSPITAL CENTER DEVELOPMENT AREA
- DA2 : MEDICAL OFFICE DEVELOPMENT AREA

- 1. Proposed New East Tower (5 Floors + Mechanical)
- 2. Future Phase (3 Floors)
- 3. Future Medical Office Building (8 floors)¹
- 4. South Tower

- 5. South Tower - Approved Future Phase (3 Floors)
- 6. Overlake Medical Office Building
- 7. Group Health Bellevue Medical Center

1. The new configuration of the Future Medical Office Building would result in a smaller frontage Along 116th Ave NE

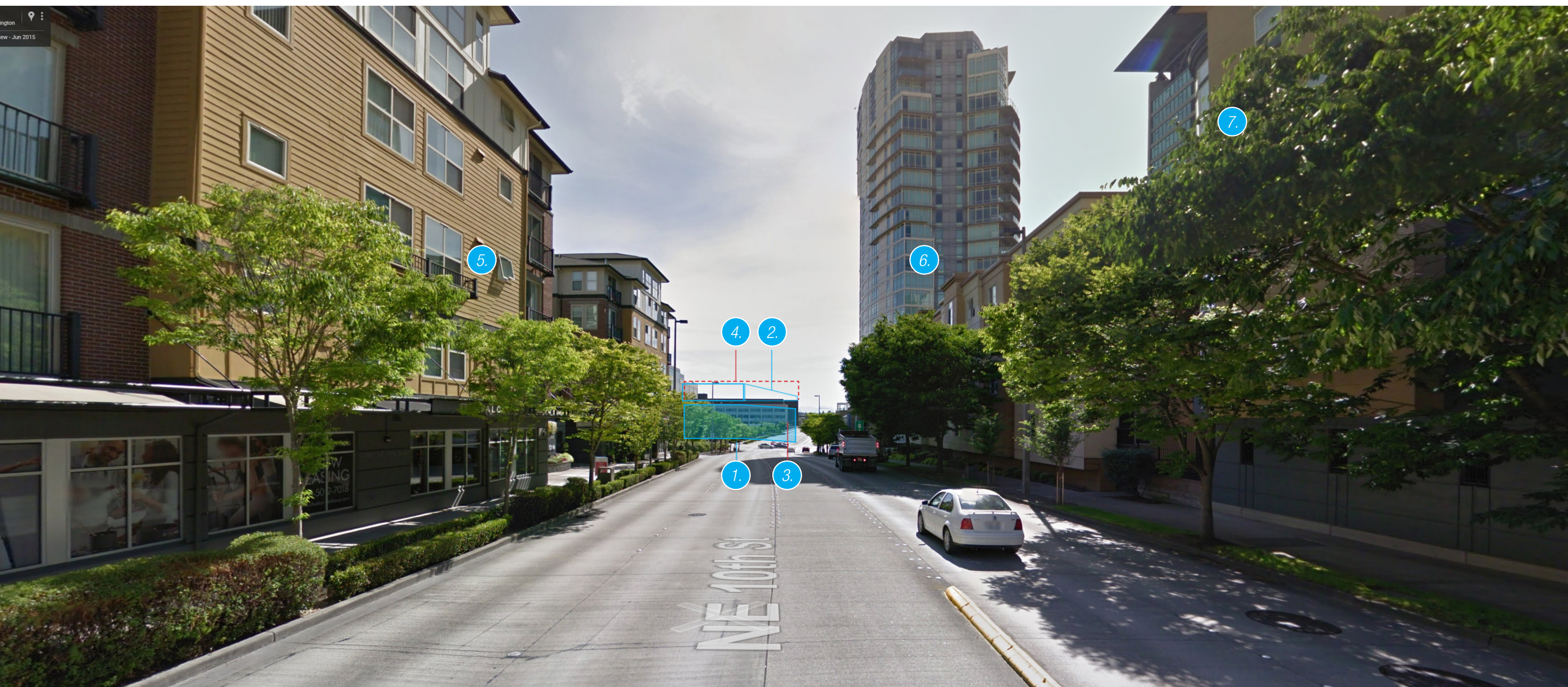


LEGEND

- DA1 : HOSPITAL CENTER DEVELOPMENT AREA
- DA2 : MEDICAL OFFICE DEVELOPMENT AREA

- 1. Proposed New East Tower (8 Floors + Mechanical)¹
- 2. Future Phase (4 Floors)¹
- 3. Future Medical Office Building 1
- 4. South Tower
- 5. South Tower - Approved Future Phase (3 Floors)
- 6. Avalon Apartments Bellevue
- 7. Elements Apartments
- 8. Oakwood Apartments Bellevue

1. Additional floors result in a taller massing to accomodate the Building Gross Area (as a result of 40% reduced footprint).



LEGEND

- DA1 : HOSPITAL CENTER DEVELOPMENT AREA
- DA2 : MEDICAL OFFICE DEVELOPMENT AREA

- 1. Proposed New East Tower (5 Floors + Mech)-Hidden by South Tower
- 2. Future Phase (3 Floors)
- 3. South Tower
- 4. South Tower - Approved Future Phase
- 5. Avalon Apartments Bellevue
- 6. Elements Apartments
- 7. Oakwood Apartments Bellevue

VIEW LOCATION 3 @ NE 8TH ST LOOKING N



LEGEND

- DA1 : HOSPITAL CENTER DEVELOPMENT AREA
- DA2 : MEDICAL OFFICE DEVELOPMENT AREA

- 1. Proposed New East Tower (8 Floors + Mechanical)¹
- 2. Future Phase (4 Floors)¹
- 3. Proposed Medical Office Building 2 (8 Floors)
- 4. South Tower
- 5. South Tower - Approved Future Phase (3 Floors)
- 6. Group Health Bellevue Medical Center
- 7. Elements Apartments
- 8. CH2M Hill Corporate

1. Additional floors result in a taller massing to accomodate the Building Gross Area (as a result of 40% reduced footprint).

VIEW LOCATION 3 @ NE 8TH ST LOOKING N



LEGEND

- DA1 : HOSPITAL CENTER DEVELOPMENT AREA
- DA2 : MEDICAL OFFICE DEVELOPMENT AREA

- 1. Proposed New East Tower (5 Floors + Mechanical)
- 2. Future Phase (3 floors)
- 3. South Tower
- 4. South Tower - Approved Future Phase (3 Floors)
- 5. Group Health Bellevue Medical Center
- 6. Elements Apartments
- 7. CH2M Hill Corporate

VIEW LOCATION 4 @ SPRING DISTRICT LOOKING AT DOWNTOWN



LEGEND

- DA1 : HOSPITAL CENTER DEVELOPMENT AREA
- DA2 : MEDICAL OFFICE DEVELOPMENT AREA

- 1. Proposed New East Tower (8 Floors + Mechanical), *Hidden by Kirmat Collision Repair*
- 2. Future Phase (4 Floors)¹
- 3. Future Medical Office Building 1 (8 Floors)
- 4. Future Medical Office Building 2, (8 Floors), *Hidden by Kirmat Collision Repair*
- 5. Overlake Medical Office Building
- 6. Kirmat Collision Repair

1. Additional floors result in a taller massing to accomodate the Building Gross Area (as a result of 40% reduced footprint).

VIEW LOCATION 4 @ SPRING DISTRICT LOOKING AT DOWNTOWN



LEGEND

- DA1 : HOSPITAL CENTER DEVELOPMENT AREA
- DA2 : MEDICAL OFFICE DEVELOPMENT AREA

- 1. Proposed New East Tower (5 Floors + Mechanical), *Partially hidden by Kirmat Collision Repair*
- 2. Future Phase (3 Floors)
- 3. Future Medical Office Building (8 Floors)
- 4. Overlake Medical Office Building
- 5. Kirmat Collision Repair

Proposed Amendment to MI District Dimensional Requirements Note 10

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(10) The maximum building height of a hospital is 200 feet, except that any portion of a hospital located within 150 feet of the 116th Avenue NE right-of-way shall have a maximum building height of 140 feet.

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